

March 6, 1984

LB 809

with that, I comply and I guess what I'm saying to you is that I'm going to at this moment support the bill knowing full well that when we get into a joint session with the Appropriations Committee this afternoon that the \$17 or \$18 million that this bill provides is not going to be in the category of the rates that we had suspected we might be able to set. I suspect that at some point without question and I don't know what that point is when it is correct and timely, but we are going to have to bite the bullet and put some more sales and income tax into either the hands of a local level or else increase the amount of money from the state level to the local level. I rise in support at this point to this bill with the understanding that I may not continue that support as we look at further considerations of the revenue picture at a little bit later time. Thank you, Mr. President.

SENATOR CLARK: Senator Withem.

SENATOR WITHEM: Mr. Chairman, members of the body, I rise in support of LB 809. Merely wanted to correct a point that I heard in the discussion somewhat earlier and I frankly don't even remember who addressed the point, but they were pointing out that this is a bad proposal because it treats everybody the same. It gives the same dollar amount to the poor person as it does to the millionaire implying that this is a regressive sort of structure, I guess making somewhat of the comparison we made the other day when we were talking about the occupation tax being regressive because it's a \$2 tax on a \$3,000 income the same as it is on a \$300,000 income. That truly was a regressive tax. This, however, is very progressive because we're talking about giving money back, lowering taxes. Let me just show you how this would operate, Senator Newell's proposal would operate on three different types of homes; \$6,000 home would have it's first \$3,000 exempted which would mean, in effect, that they were getting a 50 percent tax break on their property taxes. Poor person with a \$6,000 home would get 50 percent tax break. Modern income individual with a \$30,000 home, first \$3,000 exempted would get a 10 percent break. Modern income person then would get less of a tax percentage break than a poorer person. Wealthy individual with a \$300,000 home